

Government-Wide Commercial Credit Card For Micro-Purchases

This District Pamphlet DP 715-1-1, Government-Wide Commercial Credit Card for Micro-Purchases, dated 20 Dec 00, is provided for your information. All Billing Officials, Alternate Billing Officials and cardholders should read this DP and become familiar with current internal operating procedures. Billing Officials are required to ensure a copy of this DP and any updates provided in the future are made available to their cardholders that do not have access to Lotus Notes/email. Cardholders that have email will be sent the current DP and future updates via email.

If you have questions, please contact the Agency/Organization Program Coordinator, Cheryl Jackson, CT-P, at (912)652-5115, or the Alternate Agency/Organization Program Coordinator, Patricia Gibbs, CT-P, at (912)652-5948.

/s/

LOUIS J. MOORE
Chief, Contracting Division

**GOVERNMENT-WIDE COMMERCIAL
CREDIT CARD
FOR MICRO-PURCHASES**

DISTRICT PAMPHLET 715-1-1

20 DECEMBER 2000

INTERNAL OPERATING GUIDE PROCEDURES
When Using
Government-Wide Commercial Credit Card
For Micro-Purchases

1. Introduction

a. The General Services Administration (GSA), Federal Supply Service (FSS) has entered into a contract with the contractor bank to provide a Government-Wide Commercial Purchase card service. USACE activities that participate in this program are required to issue a delivery order against the contract. The contract provides, at the request of Federal ordering agencies, Government-Wide Commercial Credit Cards and associated services for civilian and military Government employees to make micro-purchases under the simplified acquisition procedures.

b. The procedures outlined herein have been established in accordance with the GSA contract and are a Savannah District supplement to the guidelines provided by Headquarters, U.S. Army Corps of Engineers (HQ USACE).

2. Definitions

a. **Agency/Organization Program Coordinator.** The Agency/Organization Program Coordinator (A/OPC) serves as the point of contact for coordination of the applications, issuance and destruction of cards, establishment of reports, and administrative training. This individual also serves as the liaison between Savannah District, the contractor bank, and the GSA Contracting Officer. The A/OPC oversees the Credit Card Program and establishes guidelines. Changes to dollar limitations or authorized merchant codes must be submitted to the bank by the A/OPC. The Agency/Organization Primary and Alternate Program Coordinator contacts are:

Cheryl A. Jackson, CT-P, (912)652-5115, Primary
Patricia F. Gibbs, CT-P, (912)652-5948, Alternate

b. **Billing Official and Alternate.** The Billing Official (BO) and Alternate (ABO), should be the cardholder's immediate supervisor or a higher level official. A cardholder cannot be his/her own BO. A cardholder may not be an ABO for his/her supervisor. The act of certifying that the billing statement is proper for payment makes the BO and ABO pecuniarily liable in accordance with 31 USC Sec. 3528. The BO and ABO are liable for illegal, improper, or incorrect payment due to an inaccurate or

misleading certification. Consequently, if a BO or ABO knowingly makes a false certification, they are liable for repayment to the Government for those purchased items.

(1) **BO and ABO Training.** The Government uses the BO concept in the commercial credit card program for internal control purposes. The BO and ABO provide a critical checkpoint by reviewing the cardholder's transactions on the Statement of Account (SOA). All BO's and ABO's must have completed the required training for the Government-Wide Credit Card Program before they sign monthly SOA's.

(2) **Functions:** The BO is responsible for the following:

(a) Date stamps the billing statement upon receipt.

(b) Sign cardholder's SOA's and certify the monthly billing statement for payment in full. Payment will not be withheld for delayed disputes.

(c) Review all cardholder's SOA's, verifying that all transactions made were for official Government use, and verify items purchased were authorized in accordance with Federal Acquisition Regulations (FAR), HQ USACE guidelines and the Savannah District Internal Operating Guide Procedures.

(d) Ensure that an ABO will perform Billing Statement and SOA reconciliation in the event the BO is not available to review and sign monthly SOA's.

(3) **Responsibilities:** The BO shall enforce the provisions of these internal procedures and initiate administrative and disciplinary procedures for misuse of the credit card. The BO shall document any misuse of the credit card and forward that information through their Division Chief to the Chief of Contracting Division. The BO is also responsible for ensuring that appropriate property book procedures have been followed and that hand receipts have been obtained, when required.

c. **Cardholder.** A cardholder is any individual designated by a Division Chief, to be issued a credit card. The credit card bears the individual's name and can be used only by the cardholder to pay for authorized U.S. Government official purchases. A Division Chief requests cardholders by submitting a Summary of Qualifications for Appointment of Cardholders (SQAC), which can be obtained from the A/OPC. The A/OPC

schedules requested cardholders for credit card training. Upon completion of training, the A/OPC processes the necessary paperwork to the contractor bank to issue a credit card directly to the cardholder. The cardholder shall contact the A/OPC upon receipt of their card to provide information to be input into the CEFMS database.

d. **Certification.** The act of attesting to the legality, propriety, and correctness of a document for payment as provided for under 31 USC Sec. 3528.

e. **Purchase Request and Commitment.** An initiator prepares the Purchase Request and Commitment (PR&C) requesting supplies or services, and obtains all necessary technical approvals and signatures for credit card purchases prior to forwarding the PR&C to a cardholder.

f. **Delegation of Authority.** The Chief of Contracting Division has delegated to the A/OPC the responsibility for designating qualified cardholders and BO's, issuing letters of Delegation of Authority to cardholders and BO's, approving changes on purchase limits, granting exceptions, and establishing authorization activity codes on cards.

g. **Statement of Account.** At the end of each billing cycle, the contractor bank provides a report on purchases to the cardholders. This report is the Statement of Account (SOA). The report indicates date, amount and place of purchase, and forms the basis for reconciliation process between the cardholder and the BO. Cardholders shall verify receipt of the ordered items in CEFMS prior to submitting the SOA to the BO. The cardholders must provide the BO sufficient supplementary documentation for verification. The documentation shall include, but not be limited to: vendor's sales drafts/receipts, PR&C's with technical approvals, obligation numbers, packing slips, cardholders Statement of Questioned Items (CSQI) and suspenses on items not received clearly indicating approvals, item identification(s), unit price(s), total charge, disputes and quantity received.

h. **Billing Statement.** The statement from the contractor bank sent to the BO requesting payment. The billing statement will serve as the official invoice for vendor payment.

i. **Official Invoice.** A document requesting payment be made to the contractor bank. The official invoice is issued to individual BO's and one or more cardholders per billing period.

The official invoice, also known as the billing statement, is certified for payment by the BO.

2. Use of the Credit Card

a. The credit card may be used by non-contracting personnel to order micro-purchases. A micro-purchase is an acquisition of supplies or services which does not exceed \$2,500.00. Micro-purchases for construction supplies or services are limited to \$2,000.00.

b. Savannah District contracting personnel may use the credit card for a single purchase limit up to \$25,000.00. Purchases over \$2,500.00 require competition and documentation in accordance with the FAR and its supplements.

c. Micro-purchases shall be procured in accordance with the FAR and its supplements. Pursuant to FAR Part 13, Simplified Acquisition Procedures, purchases may be made from large or small businesses, and foreign or American made products may be purchased. FAR Part 8, lists the **Required Sources of Supplies and Services**; this list can also be found at APPENDIX A. Access to the FAR is available via the internet at <http://www.arnet.gov>.

3. Guidelines and Restrictions some items require special written technical approvals from the Finance and Accounting Officer, Information Management, Logistics, District Engineer and Safety Office. Guidelines and Restrictions from HQ USACE see APPENDIX B; Information Management see APPENDIX D; RM-FA reference prohibited purchases, restricted items or items requiring special technical approvals see APPENDIX C; and Logistics see APPENDIX E. CEFMS database will **NOT** allow obtaining technical approvals from the Finance and Accounting Officer on items at APPENDIX C, for books and publications from IM-L, from individual supervisors on safety items for employees that require safety equipment under their Job Hazard Analysis nor from the District Engineer for placing advertisements and public notices in newspapers. In these instances, either a FAX technical approval request or email technical approval request must be obtained and attached to the PR&C prior to the items or services being purchased. It is the cardholder's responsibility for reviewing restricted items and for obtaining all required technical approvals prior to purchasing any item or service.

5. **Procedures for Credit Card Holders** Cardholders are responsible for following instructions in accordance with paragraph 4, when making purchases using the credit card.

a. Purchases utilizing individual PR&C's with electronic signatures, require technical approvals and funds commitments for the purchase prior to the purchase of items or services with the credit card.

b. Instructions for using bulk PR&C's are at APPENDIX C.

c. Cardholders are required to check all PR&C's against the HQ USACE restricted list at APPENDIX B. Restricted items may not be purchased by cardholders. PR&C's for restricted items or services, items that cannot be obtained within the cardholder's billing cycle, or items that a firm fixed price cannot be obtained shall be forwarded to CT-P for processing.

d. Purchases may not be split in order to stay within the cardholder's single purchase limit. Splitting orders to avoid sending PR&C's over the micro-purchase threshold to CT will result in cancellation of the cardholder's credit card and purchasing authority. "Splitting" purchases into a series of purchases, each of which is intended to fall under the single purchase limit, is a violation of the Anti-Deficiency Act. An improper "split" involves the willful reduction of a requirement in an effort to keep the total price of the purchase at or below the micro-purchase threshold. To determine if a requirement was split, one must determine what the "requirement" was at the time of the purchase. Typically, the known needs of an organization by the cardholder at the time of the purchase constitutes the requirement. If a cardholder typically purchases items when he/she becomes aware of a need, the requirement is considered that instant quantity or need. If, on the other hand, the cardholder typically waits to purchase, the requirement becomes the total needs received up to the point of ordering.

e. The credit card may be used over the counter or by telephone.

f. When making a credit card purchase, cardholders should inform the vendor that the transaction is for official U.S. Government purposes and is not subject to state and local sales taxes. The Tax Exemption Number for the Savannah District is #62-1642142. This number should be provided too the vendor upon request.

6. **Pricing Information** The cardholder should obtain the following information from the vendor:

- a. Does the company offer discounts to the Government?
- b. Request FOB Destination prices. If the order is FOB Shipping Point, the cardholder must obtain a firm fixed price for shipping. The credit card cannot be used to pay for estimated costs. Problems associated with FOB Shipping Point are not considered a disputable item; therefore, the cardholders are not to complete a CSQI. The contractor bank will not become involved with problems associated with FOB Shipping Point.
- c. Inform the vendor that there can be no backordering. All items must be shipped together and within the cardholder's billing cycle.
- d. Inform the vendor that the credit card number should not be displayed on any packing slips, delivery tickets or on the package when purchases are made by telephone.
- e. Ask the vendor if he provides a sales slip for credit card purchases or if the purchase will be processed electronically. If a sales slip is not available and the purchase is processed by electronic means, request the ticket authorization number. This number is used for tracking purposes by the contractor bank if there is a dispute on the order.

7. **Placing the Order**

- a. Place your order and verify quantities, unit prices, and total cost with the vendor. Give the vendor your name, your credit card number, and the expiration date of your credit card.
- b. Items picked up - If the order is placed by telephone and someone other than the cardholder is picking up the items, inform the vendor that the sales receipt shall be mailed directly to the cardholder or placed in a sealed envelope addressed to the cardholder to be given to the individual picking up the items. The individual picking up the items may sign the vendor's receiving document to verify who picked up the items. No one should have access to the card number except the vendor, BO, A/OPC, F&A, contractor bank, and Internal Review.
- c. Items shipped - Instruct the vendor to mail the sales receipt to the cardholder. The credit card number must not be on any package/box. Ensure the vendor agrees to charge the credit

card after shipment is made. The order should not be placed without this assurance.

8. **Documentation** After placing an order, the cardholder is responsible for properly documenting the PR&C. The following information should be included:

a. Name of company, name of individual that processed your order, and the company's phone number.

b. Prices quoted, delivery date, and shipping terms.

c. Note that you informed the vendor the purchase is tax exempt.

d. If the vendor takes your order electronically and no sales receipt will be issued, document on the PR&C that a sales receipt will not be issued and write the vendor's ticket authorization number on the PR&C.

e. Verify that quantities and line items do not exceed the amount of funds committed on the PR&C.

f. Document the PR&C, state the name of the cardholder who placed the order and the date the order was placed.

9. **Monthly Billing Statements**

a. BO's receive a monthly computer printout billing statement from the contractor bank indicating cardholders who had activity with their cards during the month. This signals BO's to request SOA's from their cardholders who have not already submitted them for processing.

b. A BO or ABO signature on the back of the monthly SOA constitutes verification that the cardholder properly procured, received, and documented all purchases, and processed receipts and monthly SOA correctly.

c. Cardholders shall process monthly SOA's in the CEFMS database in accordance with F&A direction for payment.

d. Cardholders shall forward the **original** and one copy of the monthly SOA to their BO indicating on the front of the monthly SOA what items were purchased and the obligation number. The SOA **copy** for the BO files shall have attached supplementary documentation such as PR&C's, **original** sales receipts, packing

lists/receiving documents, and copies of any CSQI's, which the BO keeps for formal disputes and for audit purposes.

e. After verifying information, the cardholder signs the back of the SOA and forwards it to their BO for review and signature.

f. Cardholders must inform the BO and ABO of the location of the Visa files and SOA's in case they are unavailable to process their SOA's in the CEFMS database in accordance with F&A procedures.

10. **Billing Discrepancy Procedures - Disputes** The most common causes of disputes are:

a. **DEFECTIVE ITEMS** If items purchased with the credit card are found to be defective (e.g., price, quantity, or quality), the cardholder will obtain replacement or correction from the vendor as soon as possible. If the vendor refuses to replace or correct the faulty item or charge, the charge for the item should be formally disputed by submitting a Cardholder Statement of Questioned Items (CSQI) to the bank. The cardholder must ensure that once the item is no longer in dispute, the purchase is either credited or processed for payment.

b. **UNAUTHORIZED CHARGES** If a cardholder receives an SOA that lists an unauthorized or incorrect charge, the cardholder must try to resolve the charge with the vendor. After the cardholder makes an attempt to resolve the situation with the vendor, if it can't be resolved, the transaction must be formally disputed, by issuing a CSQI.

c. **ITEMS BILLED BUT NOT RECEIVED - DELAYED DISPUTE PROCEDURES**

(1) If an item has been ordered and billed on an SOA, but not yet received, the cardholder should wait until 45 days or until the following billing cycle to submit a CSQI. Cardholders should annotate on the SOA that item(s) have been ordered, but not received. The BO will certify the Billing Statement in full and monitor the account to determine if items are received during the subsequent billing cycle. If the items are not received by the time the next SOA is received, then the cardholder shall submit a CSQI directly to the contractor bank and attach a copy of the CSQI to the subsequent SOA during monthly reconciliation. The monthly SOA should be highlighted to indicate the line item that is in dispute and annotate, "See

attached CSQI". Cardholders have 60 days from receipt of an SOA to dispute an item. If a CSQI is not received by the contractor bank on the disputed item within the 60 days, the Government is required to pay the invoiced charges. The contractor bank will not accept CSQI's on taxes charged or incorrect shipping charges.

(2) The original "CSQI" form is to be sent to the following address: I.M.P.A.C. Customer Services, P.O. Box 6347, Fargo, ND 58125-6347, or faxed to (701)461-3466.

(3) The contractor bank will credit the transaction until the dispute is resolved.

11. Retention of Documentation - Billing Officials

a. The Modern Army Recordkeeping System file number 37-1f should be used for credit card records.

b. To facilitate review and audit, the BO shall keep a copy of their monthly billing statements in their files with a copy of each cardholder's signed monthly SOA, with attached approved PR&C's, documentation, original sales receipts, packing slips and copies of CSQI's on disputes. The BO is responsible for retention of these records for three years.

12. Coordination for Payment

Receipt of Statement Date	Cardholder forwards to Billing (BO) Official	Billing (BO) Official forwards to USACE Fin Ctr	USACE Fin Center pays credit card credit card Invoices
Day 1	Day 5	Day 10	

The cardholder shall date stamp or otherwise note the date of receipt on the monthly SOA. The cardholder shall forward the SOA to the BO within five calendar days after receipt.

13. Contact with the Contractor Bank The cardholder shall contact the contractor bank to report a LOST OR STOLEN card. All other questions shall be directed to the contacts listed in these procedures.

14. Lost or Stolen Cards

a. **Telephone Notification** If the card is lost or stolen, the cardholder shall immediately notify the contractor bank at

the following number 24 hours/day: Inside the continental United States - call 1-888-994-6722, and internationally - (702) 461-2232.

b. **Written Notification** The cardholder shall notify their BO and the A/OPC of a lost or stolen card within one workday after discovering the card missing. The BO shall submit a written report to the A/OPC within five working days of any lost or stolen card.

c. **Card Replacement** A new card will be mailed within ten working days of the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen should be cut in half and given to his/her BO. The A/OPC will notify contractor bank that the card has been destroyed. The Federal Government, as the cardholder, may be responsible for charges against this card if lost or stolen, and the contractor bank was not notified at once of the missing card. The cardholder will not be personally responsible for charges on a lost or stolen card, if reported properly.

15. **Card Security** It is the cardholder's responsibility to safeguard the credit card and account number at all times. The cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

16. **Separation of Cardholder** Upon separation from his/her job, the cardholder must surrender the credit card to his/her BO. The BO shall destroy the card and submit a written verification through the Division Chief, to the A/OPC, stating the credit card has been destroyed and requesting the cardholder's account be terminated with the contractor bank and in the CEFMS database. The A/OPC will notify the contractor bank to cancel the account and ensure the account in the CEFMS database is closed.

17. **Penalties** The Credit Card BO has pecuniary liability for payments in accordance with provisions of 31 U.S.C. 3528 for violation of the following:

a. For purchase of items, services or construction that were not necessary to fulfill immediate mission requirements of the organization.

- b. For exceeding spending limits in the cardholder's delegation letter.
- c. For purchase of items, services and construction for personal use or the personal use of any other individual.
- d. For purchase of items, services or construction that have been specifically prohibited by the organization or by statute. Prohibitions are listed at APPENDIX B.
- e. For purchase of items that are part of a system or larger purchase exceeding \$100,000 in value.
- f. For splitting purchases into small segments to stay under the micro-purchase limit of \$2,500, or \$2,000 for construction.
- g. Remedial training will be required for cardholders found to be in violation of the above procedures. If violations continue, a determination will be made by the Chief of Contracting to cancel the credit card.

18. **Late Processing of Statements of Account**

- a. In accordance with the terms and conditions of the GSA contract with the contractor bank, after three past due notices, the contractor bank may suspend the account within the authority of any Billing Official. This is not limited to the delinquent cardholder, but all of the cards under the Billing Official's authority.
- b. If accounts are officially suspended, there will be a \$25.00 reinstatement fee per card.

19. **File Documentation Review** Contracting Division will perform an annual review of each Billing Official's account. Remedial training will be recommended for cardholders found to be in noncompliance of the procedures. If noncompliance continues, the credit cards will be canceled.

APPENDIX A - FAR, Part 8
APPENDIX B - HQ USACE Restrictions/Guidelines
APPENDIX C - Finance & Accounting Operating Procedures
APPENDIX D - Information Management Operating Procedures
APPENDIX E - Logistics Management Operating Procedures

APPENDIX A
FAR, PART 8

1. 8.001 Priorities for Use of Government Supply Sources.

a. Except as required by 8.002, or as otherwise provided by law, agencies shall satisfy requirements for supplies and services from or through sources and publications listed below in descending order of priority--

REQUIRED SOURCES OF SUPPLIES AND SERVICES

(1) Supplies.

- (i) Agency inventories;
- (ii) Excess from other agencies (see Subpart 8.1);
- (iii) Federal Prison Industries, Inc. (see Subpart 8.6);
- (iv) Products available from the Committee for Purchase From People Who Are Blind or Severely Disabled (see Subpart 8.7);
- (v) Wholesale supply sources, such as stock programs of the General Services Administration (GSA) (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Department of Veterans Affairs (see 41 CFR 101-26.704), and military inventory control points;
- (vi) Mandatory Federal Supply Schedules (see Subpart 8.4);
- (vii) Optional use Federal Supply Schedules (see Subpart 8.4); and
- (viii) Commercial sources (including educational and nonprofit institutions).

(2) Services

- (i) Services available from the Committee for Purchase From People Who Are Blind or Severely Disabled (see Subpart 8.7);
- (ii) Mandatory Federal Supply Schedules (see Subpart 8.4);
- (iii) Optional use Federal Supply Schedules (see Subpart 8.4); and
- (iv) Federal Prison Industries, Inc. (see Subpart 8.6), or commercial sources (including educational and non-profit institutions).

b. Agency Inventories - Agencies can save time and money by using materials available within the agency rather than initiating unnecessary procurement actions. The Federal Property Management Regulation (FPMR) sets forth guidelines on managing agency inventories and utilizing them to the fullest extent.

c. Excess Personal Property (FAR 8.101) - "Excess personal property" means any personal property (See 45.601) under the control of a Federal Agency that the agency head or a designee determines is not required for its needs and for the discharge of its responsibilities. It should be utilized by agencies to the fullest extent practicable.

d. Federal Prison Industries, Inc. (FAR 8.6) - Federal Prison Industries, Inc. (FPI) is a wholly owned government corporation established in 1934 by an act of Congress and executive order. The corporation is administered by a board of directors appointed by the President of the United States to serve without compensation. The chief function of this self supporting corporation is to provide training and employment for inmates confined in federal penal and correctional institutions. FPI is known by the trade name UNICOR and provides a wide range of products and services for sale to government agencies. Agencies wishing to acquire products listed on the schedule from a source other than FPI must obtain clearance to do so unless one of the following circumstances applies:

(FAR 8.606)

- (a) Public exigency requires immediate delivery or performance.
- (b) Suitable used or excess supplies are available.
- (c) Purchases are made from GSA of less-than-carload lots of common-use items stocked by GSA (see Schedule A of the Schedule);
- (d) The products are acquired and used outside the United States; or
- (e) Orders are for listed items totaling \$25.00 or less that require delivery within 10 days.

e. The Committee for Purchase from the Blind and Other Severely Handicapped (FAR 8.7) - The Committee was created by the Javits-Wagner-O'Day Act (Public Law 92-28, June 23, 1971) for the purpose of increasing employment opportunities for blind and other severely handicapped individuals and, whenever possible, preparing these individuals to engage in normal competitive employment. Under the Act, the Committee has the responsibility for determining which products and services are suitable for

provision to the government by qualified workshops serving the blind and other severely handicapped individuals. It is also responsible for establishing the prices which the government will pay for those commodities and services. These supplies are available from the GSA wholesale supply systems. **The items offered from this source can be obtained thru the GSA catalog, and are shown in the catalog by a black square by the item [] JWOD/NIB/NISH Mandatory Source. By law, these items cannot be purchased except thru GSA or a designated Federal Supply Schedule dealer of JWOD products.**

f. Wholesale Supply Sources - Each of the wholesale supply sources is responsible for satisfying the requirements of specific Federal Supply Classification (FSC) class assignments. These assignments are listed in the FPMR at 101-26 and in GSA's Customer Assistance Guide (mailing code OSSC-0003).

g. General Services Administration; Wholesale Distribution Centers; Federal Supply Service (FSS) - Wholesale Distribution Centers (WDC's) are the backbone of the stock program. FSS stocks a wide variety of common-use items and makes them available to customers worldwide via a network of WDC's. The WDC's warehouses approximately 17,000 items which are listed in the GSA supply catalog. The above is handled through stockrooms on *SF 344 purchases*.

h. Mandatory Federal Supply Schedules (208.404-1) Mandatory use. *The DOD will not be a mandatory user of any schedule unless individual DOD activities elect to provide annual requirements estimates to GSA and become mandatory users.*

i. Optional Use Federal Supply Schedules (208.404-2) - *Make maximum use of the schedules. Other procedures may be used if further competition is judged to be in the best interest of the Government in terms of quality, responsiveness, or cost.* One way for cardholders to quickly check if their requirement can be bought using schedules is to access the World Wide Web. The location for this information is (<http://www.on-schedule.com/>). If cardholders do not have access they can request publications on Federal Supply Schedules and contractor publications by contacting General Services Administration, Centralized Mailing List Service (7CAIL), P.O. Box 17077, 819 Taylor Street, Fort Worth, TX 76102-0077, phone # (817) 334-4040.

APPENDIX B
PRINCIPAL ASSISTANT RESPONSIBLE FOR CONTRACTING,
CREDIT CARD PROCEDURES, SECTIONS C, D, AND E.

HQ USACE "Credit Card Procedures", dated May 1995 and all Addenda thereto are rescinded with the publication of this procedure.

C. AUTHORIZED AND UNAUTHORIZED USE OF THE PURCHASE CARD

1. Authorized Use

a. Without exception, the Purchase Card shall only be used for authorized U.S. Government purchases for commercial items and services. Supplies must be readily available at the time of commitment telephone or store visit and shipped at the same time. Back orders will not be shipped or received at a later time. As a payment card, it can be used for both commercial and non-commercial goods and services.

b. The Purchase Card shall be used to the maximum practicable extent to purchase supplies, equipment, and non-personal services up to the micro-purchase level, which is currently \$2,500. The goal is for 90% of micro-purchases to be made by the Purchase Card, at a minimum. The card may be used to the limits of their contracting authority by **contracting personnel** for Federal Supply Schedule Orders online (GSA Advantage). Federal Supply Schedules online have no maximum order limitations and are treated in the banking system the same as micro-purchases. (Required clauses are already in the Schedules.) Above the micro-purchase limit, **the card shall not be used by other cardholders except as a payment method on purchase orders or other written agreements**, except for training and printing as described below.

c. The purchase card may be used in lieu of a Standard Form 44 or cited as the method of payment on agreements, purchase orders, delivery orders, and contracts.

d. If authorized to make purchases above the micro-purchase threshold of \$2,500, cardholders not in contracting organizations will use purchase cards only to obtain items from pre-priced contracts and agreements (e.g., Federal Supply Schedule, Department of Veteran Affairs contracts, Blanket Purchase Agreements, etc.). In this case, authority to use purchase cards will not exceed \$25,000 per transaction. Cardholders outside of contracting offices must have completed "Purchasing Fundamentals" or "Contracting Fundamentals" in order to use a purchase card above the micro-purchase limitation of \$2,500.

e. Construction services up to \$2,000 may be charged on a Purchase Card.

f. Telecommunications. Authorized except for major systems (e.g., FTS 2000 or DNS). Cellular telephone service is available nationwide, and its billing and services closely parallel that of FTS 2000. Prior to use of purchase cards for cellular telephones or service, use of this contract should be pursued. Contact GSA, Federal Supply Service or the contractor, GTE. *(IM-IC should be contacted in Savannah District, Ext. 5986.)*

g. Purchase of professional services - Contracting Office. Professional services are those services rendered by persons who are members of a particular profession or possess a special skill (e.g., accountants, lawyers, architects, engineers, physicians, dentists, etc.). State law may require that services rendered by these individuals be performed or approved by a person who is licensed, registered, or certified to provide such services. Cardholders shall receive assurance from vendors that such licenses, registrations, or certifications required by law have been duly obtained.

(1) Cardholders must be aware that only commercial items and services are authorized for purchase with the card. Subpart 12 of the Federal Acquisition Regulation (FAR) must be consulted prior to placing orders.

(2) To purchase A-E services a cardholder would have to obtain a delegation letter for A/E services from the Division Chief of Contracting.

(3) Training of up to \$25,000 may be charged by **(specified)** cardholders. (No additional training in contracting is required to charge *training* up to \$25,000.) CEFMS requirements for DD1556 must be met. U.S. Bank has established a code "Q" for cardholders for traditional educational institutions. Training purchases from organizations coded other than "Q" offering training, will be declined by the Bank if the amount exceeds \$2,500. Those requirements may be sent to the Contracting Office. Contracting Offices are authorized to issue not more than two (a primary and an alternate) Purchase Cards to Training Offices with single purchase limits of \$25,000 specifically for training purchased from organizations or firms that are coded other than "Q".

2. Purchases Requiring Authorization: Requests for the following commodities or services require the cardholder to

obtain approval (normally through CEFMS) before making the purchase. All items with a parent resource code of property require approval by the property book officer prior to using the Card to purchase the item. This requirement can be obtained telephonically or in writing from the PBO. PBOs must be aware of this requirement and not approve the request for payment if they were initially disapproved by the PBO.

a. Books and manuals. Libraries may have funds to support purchase of books or manuals and may have books or manuals available. Organizations are encouraged to check with the library prior to using purchase cards especially for non-technical books.

Libraries may delegate authority to purchase all, or specific types, of publications to cardholders. *The IMO for Savannah District allows cardholders to purchase books or periodicals with the credit card when the cardholder has obtained technical approval from IM prior to the purchase.*

b. Printing. Printing through Defense Printing (DAPS) in excess of the micro-purchase threshold can be purchased through local Information Management Offices. These Offices are authorized up to two purchase cards with \$50,000 limits for DAPS printing requirements. Information Management may delegate DAPS printing to contracting offices or to cardholders. *For Savannah District, printing services shall go to IM-PP, Dave Tarrt.*

c. Information Technology, Information Management (IM) approval is required except where the requirement is clearly within an architecture published by local IMO. If the requirement is not, if it is uncertain, or if no published architecture applicable to the local activity exists, then prior approval by IM is required.

d. Advertisements and public notices in newspapers. **Commander's approval is required.** Local activities can ensure that this happens by citing the Commander as a technical approver for these resource codes. The only requirement would be that the Commander be identified as an active user in CEFMS and that he be added to the appropriate technical approval data manager table. Another method would be to print the PR&C and have the Commander, separately approve the documentation.

e. There are some statutory exemptions to the following prohibited items. **Your FAO must determine if the Government is authorized to pay for them:**

Meals, safety wearing apparel (not approved or no job hazard analysis by Safety), medical treatment or surveillance, plaques or trophies other than incentive awards, medals, memberships in organizations, pictures/frames, coins other than as part of incentive awards, statues, cooking utensils, microwaves, coffee makers, refrigerators, and promotional items.

3. Unauthorized Use. Purchase Cards shall **NOT** be used for the following purposes:

a. Cash Advances. Cash advances are prohibited under the commercial purchase card program.

b. Travel related purchases including: Rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus or train tickets); purchase of meals, drinks, lodging, or other travel or subsistence costs associated with Government official travel (travel card covers this).

c. Rentals or leases of land or buildings exceeding 30 days, an example of non-acceptable usage would be a deployed unit needing office space on a month to month basis. Acceptable usage would be an activity needing space for a conference or banquet.

d. Repair of leased vehicles when the lease provides for service/maintenance.

e. Purchase of telecommunications services, i.e., major systems such as FTS 2000 or DSN.

f. Purchase of hazardous/dangerous items such as explosives, munitions, toxins, firearms, unless local purchase authority is granted by the Commander or his designee. APCs, Billing Officials and cardholders are cautioned that special clauses may be required for these items. To the end, a separate procurement instrument must be used and the card used as a payment card.

g. Purchases of printing services provided by commercial sources. Cardholders shall use the Defense Automated Printing Services (DAPS) in accordance with procedure set forth herein, or any government printing/copying office (Purchase Cards are accepted by these required printing sources).

h. Purchases of personal services. The card may be used for obtaining the use of private sector temporary help in short-term situations subject to applicable regulations and directives.

i. Purchases of construction services exceeding \$2,000 (Davis-Bacon Act).

j. Certain items are *always* prohibited, as follows:

(1) Refreshments (coffee, snacks, alcoholic beverages), employee gifts, entertainment, business cards, personal accessories, gifts for contractors, plaques or trophies for non-government personnel, conference mementos and personal membership in organizations.

(2) (A GAO case provides that an agency is permitted to incur expenditures for refreshments at a ceremony conducted under the authority of the Government Employee Incentive Awards Act as a "necessary expense" as that term is used in 5 USC 4503.)

D. ACCOUNTABLE PROPERTY. Cardholders and their Billing Officials are responsible for ensuring that all purchases for personal property items are input into CEFMS as property items and not services. To maintain property accountability and visibility, each item of personal property must be separately identified. They are also responsible for ensuring that a receiving document is processed in CEFMS. Prior approval of the PBO is required for purchases of accountable property IAW LTG Ballard's Directive, "Personal Property Accountability" dated 14 April 1998 and the associated CELD memorandum, subject: Personal Property Standard Business Process, 14 Apr 98. This approval may be obtained telephonically or in writing. Failure to report and correctly process accountable property purchases may result in deactivation of the card. A decision to deactivate an account for failure to report accountable property may be made by the APC, by the Chief of Contracting, or the deactivation decision may be made by the Commander or his Deputy, based upon PBO recommendation. Such a decision is not appealable. Purchase authority is delegated to cardholders and may be rescinded for cause at any time.

E. MICROPURCHASE APPROVAL AUTHORITY. As directed by the Office of the Undersecretary of Defense (Acquisition & Technology) Memorandum - "Micro-purchase Approval Authority" dated 2 October 1998 (See <http://purchasecard.sarda.army.mil/Memo2.htm>), a written determination by a member of the Senior Executive Service (SES), Flag Officer, or General Office (GO) is required if a contract or purchase order is to be used in lieu of the Purchase Card for any type of award/order valued at or below \$2,500 that does not use the purchase card on a stand-alone basis or as the method of payment. This policy includes both commercial and non-commercial items. It includes contracts, purchase orders (including SF 44s), orders under task and delivery order

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contracts, orders under basic ordering agreements, and calls against blanket purchase agreements. Awards/orders valued in excess of the micro-purchase threshold shall be structured (e.g., contract line items, delivery schedule, and invoice instructions) to minimize the generation of invoices valued at or below \$2,500. Many Corps activities do not have SES or General Officers. This approval authority may be re-delegated to the level of the senior local commander or director.

APPENDIX C
FINANCE AND ACCOUNTING OFFICE
CEFMS OPERATING PROCEDURES
FOR GOVERNMENT-WIDE COMMERCIAL CREDIT CARDHOLDERS

1. **ACQUISITION REGULATIONS** When making purchases using the credit card, all of the applicable acquisition regulations apply. Credit Card PR&C approvers and cardholders are now responsible for ensuring that they follow fiscal law requirements for purchase and time statutes. Appendix C provides a list of items which are either illegal or require F&A approval for purchasing in order not to violate fiscal law purpose statutes. The cardholder should be familiar with the following:

a. **REQUISITION/OBLIGATION** There are two different methods in Corps of Engineers Financial Management System (CEFMS) for initiating/originating a VISA purchase: (1) Miscellaneous Bulk Purchase Request & Commitment (PR&C)--cannot be used if purchasing specified ADP items that require technical approval, reference Appendix D. (2) Individual Miscellaneous Credit Card. The credit cardholder should not be both the purchase request approver and the receiver.

(1) **Miscellaneous Bulk PR&C**: Prior to originating a bulk PR&C, a decision should be made by each division chief whether they want to use the Bulk PR&C, for how much to originate the PR&C, i.e. Qtr/Yr and how many bulk PR&Cs are needed for their division, i.e. Section/Branch/Division. Bulk PR&C Benefits: The benefits of using a bulk PR&C include decreasing the amount of time spent by the cardholder originating PR&Cs in Corps of Engineers Financial Management System (CEFMS) and by the approving official having to spend time in CEFMS approving each individual purchase.

(a) **Origination**: User chooses menu option "Bulk Miscellaneous Purchase" in CEFMS. The originator can be the cardholder or other. User creates PR&C based on an estimate of expected expenditures for a specified period of time. It is strongly recommended that each division use a quarterly estimate.

(b) **Approval**: An individual who is authorized to approve purchases against the work item cited on the PR&C will perform this step.

(c) Certification: Finance and Accounting Branch (F&A) will certify the bulk PR&C in CEFMS.

(d) Internal Notification: Each division should develop a mechanism for the cardholder notifying the supervisor/approving official of intended purchase prior to purchasing from vendor, i.e. email.

(e) Technical Approval: Because the resource code on a bulk PR&C is chosen at the time of the obligation and not prior to the approval, CEFMS does not accommodate technical approval by IM when an ADP resource code is used. IM has developed a list of all resource codes that will require an individual credit card PR&C. Refer to Appendix D for this list. RM-F also has developed a chart of items that are illegal to purchase as well as items requiring F&A Officer approval. This can be obtained by email or fax. See page C-5, this Appendix.

(f) Purchase/Obligation: The cardholder uses the credit card to purchase items from the vendor. Upon return, the cardholder chooses menu option "Obligate Misc Purchase Using Bulk PR&C". The cardholder chooses the bulk PR&C to be used and specifies the correct resource code and Unit of Measure on the obligation line item. The Vendor should always be USBank with the name of the cardholder's Billing Official on the second line. A separate PR&C will be generated for each obligation and an amendment will be created automatically to the bulk, reducing it by the amount of the current purchase. As purchases are made, the bulk will continuously be reduced so there will be many amendments being generated until the bulk reaches a zero value. A new bulk PR&C should be created each fiscal year.

(g) Receiving/Invoicing: The Receiving and Invoice policies are the same for both Bulk and Individual PR&Cs. Please refer to the Receiving and Invoicing steps that follow for regular credit card purchases for more details.

(2) Individual Miscellaneous Credit Card PR&C:

(a) Origination: User chooses menu option "Credit card purchase request" which is located under "Other Miscellaneous Purchases" in CEFMS. The originator can be the cardholder or other. Remember to fill in the CTRL F6 Obligation Header that designates the receiver and USBank vendor that has the name of the cardholder's approving official. This step must be completed for each purchasing event.

(b) Technical Approval: Certain resource codes require technical approval. If one of these resource codes is used, it

will electronically route the PR&C to the approving organization for technical approval. If a supply resource code is chosen, the PR&C will be routed to LM for approval. If a resource code is chosen that requires IM approval, it will be routed to IM for technical approval.

(c) Approval/Commitment: An individual who is authorized to approve purchases against the work item cited on the PR&C will perform this step for each PR&C created by the cardholder. Certification of the PR&C will also be performed in this step. Certification must take place prior to placing the order or purchasing the goods or services.

(d) Obligation: Funds obligation is completed by the cardholder in the Miscellaneous Purchase module in CEFMS.

b. RECEIVING/INVOICING

(1) Receiving: Upon receipt of the goods, the cardholder will process a receiving report. This is also done in the Miscellaneous Purchase Module in CEFMS. If you have not received the goods ordered, but it is billed on your statement from USBank, you will process the invoice but do not do a receiving report until the goods or services are physically received. Suspend the payment for filing a dispute (CSQI) if the item is not received within 45 days of the statement from which it was billed. Do not dispute taxes or shipping and handling (S&H). These should be worked out with the vendor before the purchase is made. However, there have been instances where the S&H and taxes were added, even though the understanding with the vendor was made to delete them. Do not take them off your statement. Pay as billed by USBank, then work it out with the vendor to contact USBank for your credit. Take the credit off when shown on the following month's statement.

(2) Invoicing: Upon receipt of the monthly statement from USBank, the cardholder will create an invoice in CEFMS, using menu option "Credit Card Monthly Statement". Because all invoicing is done upon receipt of the statement, all obligated PR&C's that have not been invoiced will pull into the invoice screen. The cardholder should pull in their credit card number, enter the statement date, enter the date the statement was received (should be date stamped on back of statement), enter the total amount of the credits or zero if there are none, and the total amount owed to USBank which is the current month charges minus the credit amounts. The cardholder should then be able to type in a "Y" next to all purchases that are also on the statement.

The obligation numbers should be written on the statement beside each purchase and all documentation and receipts forwarded to the billing official.

(a) **Billing Official's Invoice:** Once the cardholder, or cardholders, for which the trained billing official is responsible has completed the invoicing, the approver will approve the invoices in CEFMS using menu option "Credit Card Approving Official". The approver must ensure that the total invoice amount in the bottom left hand corner of the screen matches the total to be paid to USBank as reflected on the Billing Statement. By approving the invoices, the billing official is attesting to the legality, propriety, and correctness of each purchase. The original "Billing Account Statement" that goes to the approver, should be manually signed, dispute forms attached, and sent to Millington for disbursement.

(b) **Monthly Statement:** If the cardholder is not there to process the monthly statement, then the approving official or alternate must go in and process it.

c. **EMERGENCY BUYS** If the cardholder is in the field (away from the office) and has an emergency buy to a project account, they can call the billing official and get the money reserved by creating a PR&C and having it approved and certified. The billing official will provide the PR&C number to the cardholder.

d. **PROHIBITED PURCHASES WITH APPROPRIATED FUNDS**

(1) Fiscal Law prohibits the use of appropriated funds to purchase many items. There may be a specific statute which covers the purchase of the item, but it requires an extensive knowledge of Fiscal Law to make this determination. I have compiled a list of things that fall into the category of items that are either always illegal, or in some circumstances illegal.

**Technical approval may be obtained by email or fax. Attach copy of approval to your documentation.

ILLEGAL PURCHASES	**POSSIBLY ILLEGAL SOME STATUTORY EXCEPTIONS EXIST - FAO MUST DETERMINE
Refreshments Coffee Snacks Alcoholic Beverages	Meals Safety Wearing Apparel (Not approved or job hazard analysis by Safety) Medical Treatment/Surveillance Plaques (outside of Incentive Awards)
Gifts for Employees	Medals
Entertainment	Memberships in Organizations
Business Cards	Pictures/Frames
Personal Accessories	Coins (outside of Inc. Awards Program)
Gifts for Contractors	Statues
Plaques for Non-Government Personnel	Utensils, Pots, Pans Microwaves, Coffee Pots, Refrigerators
Conference Momentos	Promotional Items
Personal Membership in Organizations	

(2) If you receive a request to purchase any of the items listed above, you must first obtain approval from either the Financial and Accounting Officer (FAO) or deputy. It does not matter if this type of purchase was made before and it was approved, the situation may be different in every case. This list is not all inclusive; therefore, please contact the Chief of FAO if you have questions as to the propriety of a purchase. It is critical for you to use good judgment in asking for advice if you are unsure of a purchase. Purchases made that have not been cleared through the Disbursing Officer or a deputy become the responsibility of the cardholder if they are determined to be illegal purchases. The Finance and Accounting Office will not make an illegal payment.

APPENDIX D
INFORMATION MANAGEMENT CREDIT CARD PROCEDURES
TECHNICAL APPROVALS

Credit Card Procedures for Purchase of Information
Technology (IT)

a. Purchase of IT must use the proper resource code.
These codes are as follows:

ITEQPLEASE adp and telecommunications hardware leases

ITEQPMaint contractual operation and maintenance of IT

ITEQUIP hardware/computers, peripherals, office automation
and telecommunication equipment greater than \$25,000

ITEQUIPEXP hardware/computers, peripherals, office
automation and telecommunication equipment less than
\$25,000

ITSFTDEVL private sector contractual costs for system
software design and studies

ITSFTMAINT contractual operation and maintenance of IT

ITSFTWARE custom and off-the-shelf software greater than
\$25,000

ITSFTWREXP custom and off-the-shelf software less than
\$25,000

ITSUPPLIES computers, word processing tapes, discs, and
Manuals

When one of these resource codes is used, the PR&C will be
routed to IM for technical approval prior to certification.
Questions on resource codes should be addressed to IM-P.

b. The purchase of books and periodicals has been
delegated to cardholders and does not require IM approval
prior to purchase.

c. IT purchases shall not be made using the 'bulk' PR&C procedure.

d. Defense Automated Printing Services (DAPS) is the only authorized 'credit card' vendor for printing/reproduction.

e. Filing Equipment. All file equipment requests (standard and non-standard) will be submitted to the Records Administrator, IM-PR, by memorandum, for approval prior to purchase. A copy of the approval must be attached to the PR&C and kept as part of official record. Requests will include a justification as to why additional or replacement equipment is required.

f. Non-standard filing supplies. Requests for non-standard filing supplies will be submitted to Records Administrator, IM-PR, by e-mail or memorandum, for approval prior to purchase. A copy of the approval must be attached to the PR&C and kept as part of official record. Requests will include a justification of the following information:

(1) A complete description of the supplies, costs, and the source from which the supplies are to be obtained.

(2) The reasons why standard filing supplies cannot be used.

APPENDIX E

LOGISTICS CREDIT CARD PROCEDURES

1. Procedures for Credit Cards:

a. A PR&C must be created in the CEFMS system for all purchases. Bulk funded PR&Cs can be used for expendable or non-expendable property. When creating the PR&C for non-expendable/accountable property, ensure that the correct resource code is used. Accountable/non-expendable property is defined in ER 700-1-1. If there is uncertainty as to an item being expendable or non-expendable, contact the PBO at extension 5954 prior to originating the PR&C.

b. Office supplies will be ordered by use of the credit card through GSA. Only emergency office supplies will be ordered outside the GSA source. Cardholders are responsible for complying with mandatory sources prior to using the open market, even during emergencies. Mandatory source items are listed in the GSA catalogs, indicated by a small black box just above the national stock number of the item. All cardholders received these instructions during the credit card training presented by Contracting Division.

c. Technical Approval must always be obtained prior to ordering items on the credit card. When ordering accountable property through CEFMS, selection of the correct resource code will automatically send the request through the PBO for technical approval. However, CEFMS has no way of obtaining technical approval on other items that require this approval. Therefore, it is absolutely necessary that the cardholder obtain this approval through other means, such as a hard copy electronic mail message, memorandum, etc. These approvals must be available for audit purposes. A list of these items requiring technical approval are listed in the appendices of this regulation for the Information Management Office, Resource Management Office, and the Safety and Occupational Health Office.

2. Items being shipped: All items ordered using credit cards will be delivered by UPS to the loading dock at the Federal Building. Area and Project offices will have items shipped to their respective locations. Once items are delivered to the loading dock, a team member from the Logistics Office will further transfer the items to the desk of the ordering cardholder. The cardholder will be required to complete a receiving report within

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CEFMS. When equipment that is accountable property is received, the hand receipt holder will immediately contact LM-S, Property Book Officer.

3. **Receiving Reports:** Cardholders will prepare a receiving report in CEFMS no later than the following workday after receipt of the items.